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AUG 22 2014

PUBLIC SERVICE
COMMISSION

August 20, 2014

Jeff R. Derouen
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Re: Case No. 2014-00051

Dear Mr. Derouen:

Enclosed for filing in the above referenced case an original and five (5) copies of the responses of Clark Energy Cooperative, Inc. requested in the commission staff's third request for information dated August 7, 2014.

Please be advised that Ms. Holly S. Eades, Vice President of Finance for Clark Energy, is the witness responsible for Clark Energy's response.

Sincerely,

Paul G. Embs
President & CEO

Enclosures

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AUG 22 2014

PUBLIC SERVICE
COMMISSION

CERTIFICATION

Holly S. Eades, Vice President of Finance for Clark Energy Cooperative, Inc., being duly sworn, states as follows with regards to the Responses filed by Clark Energy Cooperative, Inc. in Case No. 2014-00051, now pending before the Public Service Commission of the Commonwealth of Kentucky:

1. That she is the person supervising the preparation of the Responses on behalf of Clark Energy Cooperative, Inc.

2. That the responses are true and accurate to the best of my personal knowledge, information and belief formed after a reasonable inquiry.

Witness my hand as of this 20th day of August, 2014.

Holly S. Eades

Holly S. Eades

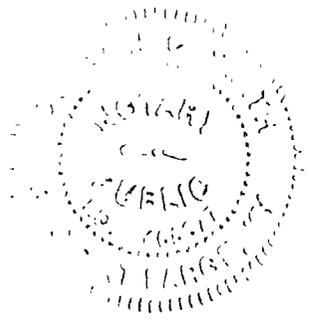
COMMONWEALTH OF KENTUCKY
COUNTY OF CLARK

The foregoing Certification was subscribed, sworn to and acknowledged before me by Holly S. Eades, Vice President of Finance for Clark Energy Cooperative, Inc., this the 20th day of August, 2014.

Crystal C Smith

NOTARY PUBLIC, STATE AT LARGE, KY

My Commission Expires 6/18/2016



CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 6

This question is addressed to all member cooperatives. Refer to each member cooperative's July 31, 2013 monthly pass-through filing.

Request 6a

Provide the numerator used in the calculation of the respective member cooperative's pass-through mechanism factor, along with the calculations and the months supporting the calculations of the denominator.

Response 6a

* The numerator used was \$ 415,773; EKP's expense month of June 2013.

Request 6b

Provide the denominator used in the calculation of the respective member cooperative's pass-through mechanism factor, along with the calculations supporting the calculations of the denominator.

Response 6b

*The denominator used was \$ 3,656,889; average 12 months ended retail revenues, May 2013.

Request 6c

Provide the month's revenue (amount and month of the year) each member cooperative's pass-through mechanism factor for July 2013 is applied to in arriving at the monthly environmental surcharge revenues recovered.

Response 6c

Clark's billing revenues for August 2013, with the June expense month factor of 11.37%, totaled \$ 3,666,134.

*See attached "Response 6 a/b"

Witness: Holly Eades

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Clark Energy Cooperative

Response 6 a/b

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Clark	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Clark	EKPC 12-months Ended Average Monthly Revenue from Sales to Clark	Clark Revenue Requirement	Amortization of (Over)/Under Recovery	Clark Net Revenue Requirement	Clark Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Clark Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Clark Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)		Col (8) + Col (9)		Col. (11) - Col. (12)		Col (10) / Col (14)	
Jan-13	13.49%	0.00%	13.49%	\$ 3,025,176		\$ 3,025,176	\$ 2,317,341	\$ 312,609	\$ -	\$ 312,609	\$ 4,245,225		\$ 4,245,225	\$ 3,491,669	8.92%
Feb-13	12.61%	0.00%	12.61%	\$ 2,776,820		\$ 2,776,820	\$ 2,333,991	\$ 294,316	\$ -	\$ 294,316	\$ 4,848,545		\$ 4,848,545	\$ 3,535,621	8.43%
Mar-13	14.37%	0.00%	14.37%	\$ 2,816,701		\$ 2,816,701	\$ 2,402,275	\$ 345,207	\$ -	\$ 345,207	\$ 4,086,939		\$ 4,086,939	\$ 3,560,676	9.76%
Apr-13	14.27%	0.00%	14.27%	\$ 2,019,160		\$ 2,019,160	\$ 2,427,822	\$ 346,450	\$ -	\$ 346,450	\$ 3,948,687		\$ 3,948,687	\$ 3,646,855	9.73%
May-13	17.97%	0.00%	17.97%	\$ 2,033,794		\$ 2,033,794	\$ 2,430,877	\$ 436,829	\$ -	\$ 436,829	\$ 2,935,256		\$ 2,935,256	\$ 3,656,889	11.98%
Jun-13	17.09%	0.00%	17.09%	\$ 2,284,410		\$ 2,284,410	\$ 2,432,844	\$ 415,773	\$ -	\$ 415,773	\$ 3,188,337		\$ 3,188,337	\$ 3,675,663	11.37%
Jul-13	15.77%	0.00%	15.77%	\$ 2,359,366		\$ 2,359,366	\$ 2,410,341	\$ 380,111	\$ 56,251	\$ 436,362	\$ 3,540,993		\$ 3,540,993	\$ 3,667,844	11.87%
Aug-13	15.49%	0.00%	15.49%	\$ 2,279,374		\$ 2,279,374	\$ 2,406,230	\$ 372,725	\$ 55,316	\$ 428,041	\$ 3,666,134		\$ 3,666,134	\$ 3,651,510	11.67%
Sep-13	14.93%	0.00%	14.93%	\$ 1,975,705		\$ 1,975,705	\$ 2,406,863	\$ 359,345	\$ 55,316	\$ 414,661	\$ 3,407,312		\$ 3,407,312	\$ 3,639,473	11.36%
Oct-13	16.69%	0.00%	16.69%	\$ 1,882,817		\$ 1,882,817	\$ 2,399,686	\$ 400,508	\$ 55,316	\$ 455,824	\$ 2,899,788		\$ 2,899,788	\$ 3,646,719	12.52%
Nov-13	17.43%	0.00%	17.43%	\$ 2,487,330		\$ 2,487,330	\$ 2,394,450	\$ 417,353	\$ 55,316	\$ 472,669	\$ 3,086,638		\$ 3,086,638	\$ 3,635,405	12.96%
Dec-13	14.54%	0.00%	14.54%	\$ 2,981,235		\$ 2,981,235	\$ 2,410,157	\$ 350,437	\$ 55,316	\$ 405,753	\$ 3,941,090		\$ 3,941,090	\$ 3,649,579	11.16%
Jan-14	10.92%	0.00%	10.92%	\$ 3,845,793		\$ 3,845,793	\$ 2,478,542	\$ 270,657	\$ (935)	\$ 269,722	\$ 4,823,567		\$ 4,823,567	\$ 3,697,774	7.39%
Feb-14	5.44%	0.00%	5.44%	\$ 3,193,996		\$ 3,193,996	\$ 2,513,307	\$ 136,724	\$ -	\$ 136,724	\$ 5,778,537		\$ 5,778,537	\$ 3,775,273	3.70%
Mar-14	11.62%	0.00%	11.62%	\$ 2,867,091		\$ 2,867,091	\$ 2,517,506	\$ 292,534	\$ (2,869)	\$ 289,665	\$ 4,430,112		\$ 4,430,112	\$ 3,803,871	7.67%
Apr-14	13.47%	0.00%	13.47%	\$ 2,011,486		\$ 2,011,486	\$ 2,516,866	\$ 339,022	\$ (2,869)	\$ 336,153	\$ 3,689,755		\$ 3,689,755	\$ 3,782,293	8.84%
May-14	15.84%	0.00%	15.84%	\$ 2,043,236		\$ 2,043,236	\$ 2,517,653	\$ 398,796	\$ (2,869)	\$ 395,927	\$ 2,922,231		\$ 2,922,231	\$ 3,781,208	10.47%
Jun-14	15.67%	0.00%	15.67%	\$ 2,391,187		\$ 2,391,187	\$ 2,526,551	\$ 395,911	\$ (2,869)	\$ 393,042	\$ 3,307,702		\$ 3,307,702	\$ 3,791,155	10.39%

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 7

This question is addressed to all member cooperatives. For the month of July 2005, provide the following:

Request 7a

Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-months-ended average retail revenue was used in calculating the pass-through mechanism factor.

Response 7a

*The month in which the member cooperative's revenue requirement was used is June 2005 and May 2005 was the 12-months-ended average retail revenue month.

Request 7b

Identify the member cooperative's month revenues (amount and month of the year) the pass-through mechanism factor was applied to arrive at the member cooperative's monthly environmental surcharge revenues

Response 7b

*The pass-through mechanism, 3.80%, was applied to August 2005 billings and the billing revenues were \$ 2,942,382.

Request 7c

Identify the member cooperative's month revenues (amount and month of the year) and the member cooperative's month expense (amount and month of the year) used in calculating any over/under recovery, along with the month the over/under recovery is reflected, in the member cooperative's response to the Information Request of Commission Staff following the June 18, 2014 Informal Conference ("Staff's IC Information Request"), item 2.

Response 7c

Clark's August 2005 surcharge revenues in the amount of \$111,816 and the surcharge from the July 2005 EKPC bill of \$117,518 resulted in an under-recovery of \$5,702. Clark did not amortize any cumulative over/under recovery until an environmental surcharge review was complete, Case No. 2006-00131.

*See attached "Response 7 a/b"

Witness: Holly Eades

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Clark Energy Cooperative

Response 7 a/b

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Clark	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Clark	EKPC 12-months Ended Average Monthly Revenue from Sales to Clark	Clark Revenue Requirement	Amortization of (Over)/Under Recovery	Clark Net Revenue Requirement	Clark Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Clark Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Clark Pass Through Mechanism Factor
	Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (3) x Col. (7)		Col. (8) + Col. (9)		Col. (11) - Col. (12)			Col. (10) / Col. (14)		
Jun-04				\$1,436,684		\$1,436,684				\$2,269,941		\$2,269,941			
Jul-04				\$1,677,100		\$1,677,100				\$2,372,420		\$2,372,420			
Aug-04				\$1,562,735		\$1,562,735				\$2,481,214		\$2,481,214			
Sep-04				\$1,446,456		\$1,446,456				\$2,357,852		\$2,357,852			
Oct-04				\$1,228,586		\$1,228,586				\$2,069,771		\$2,069,771			
Nov-04				\$1,428,979		\$1,428,979				\$2,143,562		\$2,143,562			
Dec-04				\$2,147,493		\$2,147,493				\$2,440,059		\$2,440,059			
Jan-05				\$2,333,987		\$2,333,987				\$3,021,324		\$3,021,324			
Feb-05				\$1,973,815		\$1,973,815				\$3,411,438		\$3,411,438			
Mar-05				\$1,915,727		\$1,915,727				\$2,973,740		\$2,973,740			
Apr-05				\$1,385,147		\$1,385,147				\$2,778,601		\$2,778,601			
May-05				\$1,380,347		\$1,380,347				\$2,278,547		\$2,278,547	\$2,549,873		
Jun-05	6.28%	0.51%	5.77%	\$1,685,580		\$1,685,580	\$1,680,496	\$96,965		\$96,965	\$2,095,825	\$2,095,825	\$2,535,363	\$2,549,873	3.80% August '05 billing
Jul-05	6.21%	0.51%	5.70%	\$2,036,709		\$2,036,709	\$1,710,463	\$97,496		\$97,496	\$3,150,627	\$3,150,627	\$2,600,213	\$2,600,213	3.87%
Aug-05	11.69%	0.51%	11.18%	\$2,050,383		\$2,050,383	\$1,751,101	\$195,214		\$195,214	\$2,942,382	\$2,942,382	\$2,638,644	\$2,638,644	7.51%
Sep-05	10.68%	0.51%	10.17%	\$1,861,268		\$1,861,268	\$1,785,668	\$181,602		\$181,602	\$2,849,274	\$2,849,274	\$2,679,596	\$2,679,596	6.88%
Oct-05	10.06%	0.51%	9.55%	\$1,635,744		\$1,635,744	\$1,819,598	\$173,772		\$173,772	\$2,415,441	\$2,415,441	\$2,708,402	\$2,708,402	6.48%
Nov-05	11.27%	0.51%	10.76%	\$1,910,993		\$1,910,993	\$1,859,766	\$200,111		\$200,111	\$2,469,099	\$2,469,099	\$2,735,530	\$2,735,530	7.39%
Dec-05	6.15%	0.51%	5.64%	\$2,532,496		\$2,532,496	\$1,891,850	\$106,700		\$106,700	\$3,407,088	\$3,407,088	\$2,816,115	\$2,816,115	3.90%

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 8

This question is addressed to all member cooperatives. For the month of December 2013, provide the following:

Request 8a

Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-months-ended average retail revenue was used in calculating the pass-through mechanism factor.

Response 8a

For the December '13 billing month the member cooperative's revenue requirement used was October 2013 and the 12-months-ended average retail revenue used was September 2013. See attached "Response 8a".

Request 8b

Provide the member cooperative's month revenues the pass-through mechanism factor was applied to arrive at the member cooperative's monthly environmental surcharge revenues.

Response 8b

The revenues for December '13 were \$3,941,090.

Request 8c

Identify the member cooperative's month revenues and the member cooperative's month expense used in calculating any over/under recovery, along with the month the over/under recovery is reflected in the member cooperative's response to Staff's IC Information Request, item 2.

Response 8c

For the month of December 2013, Clark's surcharge revenues in the amount of \$ 493,427.27 and the surcharge billed from the November 2013 EKPC power bill of \$ 415,135.00 results in an over-recovery for that period of \$ 78,292.00. The over-recovery will be addressed in Case 2014-00051 and refunded in future periods.

Request 8d

If there was a change in the calculations between Item No. 8c and Item No.7c, fully explain the reason for the change and provide any Commission supporting authorization for the change.

Response 8d – No change in the calculations.

Witness: Holly Eades

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Clark Energy Cooperative

Response 8 a

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
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Apr-13	14.27%	0.00%	14.27%	\$ 2,019,160		\$ 2,019,160	\$ 2,427,822	\$ 346,450	\$ -	\$ 346,450	\$ 3,948,687		\$ 3,948,687	\$ 3,646,855	9.73%
May-13	17.97%	0.00%	17.97%	\$ 2,033,794		\$ 2,033,794	\$ 2,430,877	\$ 436,829	\$ -	\$ 436,829	\$ 2,935,256		\$ 2,935,256	\$ 3,656,889	11.98%
Jun-13	17.09%	0.00%	17.09%	\$ 2,284,410		\$ 2,284,410	\$ 2,432,844	\$ 415,773	\$ -	\$ 415,773	\$ 3,188,337		\$ 3,188,337	\$ 3,675,663	11.37%
Jul-13	15.77%	0.00%	15.77%	\$ 2,359,366		\$ 2,359,366	\$ 2,410,341	\$ 380,111	\$ 56,251	\$ 436,362	\$ 3,540,993		\$ 3,540,993	\$ 3,667,844	11.87%
Aug-13	15.49%	0.00%	15.49%	\$ 2,279,374		\$ 2,279,374	\$ 2,406,230	\$ 372,725	\$ 55,316	\$ 428,041	\$ 3,666,134		\$ 3,666,134	\$ 3,651,510	11.67%
Sep-13	14.93%	0.00%	14.93%	\$ 1,975,705		\$ 1,975,705	\$ 2,406,863	\$ 359,345	\$ 55,316	\$ 414,661	\$ 3,407,312		\$ 3,407,312	\$ 3,639,473	11.36%
Oct-13	16.69%	0.00%	16.69%	\$ 1,882,817		\$ 1,882,817	\$ 2,399,686	\$ 400,508	\$ 55,316	\$ 455,824	\$ 2,899,788		\$ 2,899,788	\$ 3,646,719	12.52% Dec '13 billing factor
Nov-13	17.43%	0.00%	17.43%	\$ 2,487,330		\$ 2,487,330	\$ 2,394,450	\$ 417,353	\$ 55,316	\$ 472,669	\$ 3,086,638		\$ 3,086,638	\$ 3,635,405	12.96%
Dec-13	14.54%	0.00%	14.54%	\$ 2,981,235		\$ 2,981,235	\$ 2,410,157	\$ 350,437	\$ 55,316	\$ 405,753	\$ 3,941,090		\$ 3,941,090	\$ 3,649,579	11.16%

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Request 9

This question is addressed to all member cooperatives. In a month when there is an amortization of an over- or under-recovery amount applied in the calculation of the pass-through mechanism factor, do the member cooperatives agree that the pass-through factor is a net factor, and the net factor is a combination of the pass-through factor that is attributed to the member cooperative's revenue requirement divided by the 12-months-ended average retail revenues and the member cooperative's amortization of any over- or under-recovery amount also divided by the 12-months-ended average retail revenues? If not, explain.

Response 9

Clark Energy agrees that in a month when there is an amortization of an over- or under-recovery amount applied in the calculation of the pass-through mechanism factor that the pass-through factor is a net factor. However, Clark Energy does not agree with the description of the calculation of the pass-through factor as stated in the request. As clearly shown on the monthly "Pass-Through Mechanism Report" filed for Clark Energy, the monthly revenue requirement shown in column 8 is combined with the amortization of over- or under-recovery shown in column 9. The net amount is shown in column 10. The net amount in column 10 is divided by the 12-months ended average net retail revenues shown in column 14, producing the pass-through factor shown in column 15. While the approach described in the request essentially produces the same result mathematically, separate pass-through factor components are not calculated for the monthly revenue requirement and the amortization of the over- or under-recovery.

Witness: Holly Eades

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 10

This question is addressed to all member cooperatives.

Request 10a

Does each member cooperative have a monthly Fuel Adjustment Clause ("FAC") that contains a prior month over- or under-recovery mechanism in the calculations?

Response 10a

Yes.

Request 10b

If the answer to 10.a. above is yes, does each member cooperative remove the prior month over- or under-recovery amount in calculating the current month's over- or under-recovery amount?

Response 10b

No.

Request 10c

If the answer to 10b above is no, explain why it is appropriate to remove any over- or under-recovery amount in the environmental surcharge, but it is not required to remove any over/under recovery in the FAC.

Response 10c

It should be noted that the environmental surcharge is established by KRS 278.183 while the FAC is established by 807 KAR 5:056 and neither explicitly address how over- and under-recoveries are to be handled.

Under the FAC for the Member Cooperatives, the over- or under-recovery from the second previous month is incorporated into the calculations of the current FAC. The current FAC is applied to retail customer bills rendered two months later. Thus, there is a four month lag from the inception of an over- or under- recovery until it is refunded or collected on the retail customers' bill. Each month the retail customers' bill will include a single month's FAC over- or under-recovery amount. There is no adjustment to remove any previous month's over- or under-recovery amount in calculating the current month's over- or under-recovery.

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Response 10c (continued)

Under the environmental surcharge, the over- or under-recovery is determined during the periodic six-month and two-year surcharge review cases. Under normal circumstances, the over- or under-recovery determined during a surcharge review case will cover six months of surcharge operation and the amortization period of the over- or under-recovery has been six months. While the amortization results in an equal dollar amount being included in the retail customers' bills during the amortization period, rather than an amount that reflects month to month changes in sales volumes, it is essentially the same approach as the FAC. Each month during the amortization period will reflect a single month's surcharge over- or under-recovery amount. There have been no adjustments to remove any previous month's over- or under-recovery amount when calculating the current month's over- or under-recovery.

However, the processing of Case Nos. 2012-00486 and 2013-00140 were not normal circumstances. Case No. 2012-00486 reviewed the last six months of a two-year review period and two subsequent six-month review periods, for a total of 18 months of surcharge operations. The case was opened on November 16, 2012 and the Commission's Final Order was dated August 2, 2013. Although the review period covered 18 months of surcharge operations, the over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on August 20, 2013.

Case No. 2013-00140 covered a single six-month review period. This case was opened on May 14, 2013 and the Commission's Final Order was dated September 17, 2013. The over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on September 20, 2013.

Because of the number of review periods included in the two cases and the overlapping of the amortization periods for these two cases, over- and under-recoveries resulting from 24 months of surcharge operations were amortized over a total of seven months. Thus, the normal situation where six months of surcharge operations are reflected in six months of over- or under-recovery amortization no longer was in force. Without some adjustment to remove the effects of amortizing over- or under-recoveries resulting from 24 months of surcharge operations over seven months, subsequent surcharge review over- and under-recovery calculations will be skewed.

Witness: Holly Eades

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 11

This question is addressed to all member cooperatives.

Request 11a

Provide the schedules which support the amount of both the environmental surcharge revenues and the environmental surcharge expenses removed from their cost-of-service on Schedule S for each of their rate filings which cover the period July 2005 through December 2012.

Response 11a

Clark filed one rate case, during the stated period, Case No. 2009-00314. See attached "Response 11a".

Request 11b

Provide an analysis comparing the monthly amounts in 11a above with the same monthly amounts the member cooperatives provided in their response to Staff's IC Information Request, Item No. 2.

Response 11b

See attached "Response 11b".

Request 11c

If there is a difference in the monthly revenue and/or expense amounts in the response to 11b above, provide a complete explanation of the reason(s) for the difference.

Response 11c

There is a small difference due to rounding only.

Witness: Holly Eades

Clark Energy Cooperative
 Case No. 2009-00314
 Statement of Operations, Adjusted

Witness: Alan Zumstein

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	35,824,753	6,663,263	42,488,016	4,086,994	46,575,010
Fuel and surcharge	6,323,176	(6,323,176)	0		0
Other electric revenue	1,121,733	(1,397)	1,120,336		1,120,336
	<u>43,269,662</u>	<u>338,690</u>	<u>43,608,352</u>	<u>4,086,994</u>	<u>47,695,346</u>
Operating Expenses:					
Cost of power:					
Base rates	24,717,944	6,650,249	31,368,193		31,368,193
Fuel and surcharge	6,101,831	(6,101,831)	0		0
Distribution - operations	1,584,619	151,337	1,735,956		1,735,956
Distribution - maintenance	2,415,083	32,094	2,447,177		2,447,177
Consumer accounts	1,330,402	102,535	1,432,937		1,432,937
Customer service	186,060	23,582	209,642		209,642
Sales	31,368	2,029	33,397		33,397
Administrative and general	1,403,541	(1,189)	1,402,352		1,402,352
Total operating expenses	<u>37,770,848</u>	<u>858,806</u>	<u>38,629,654</u>	<u>0</u>	<u>38,629,654</u>
Depreciation	2,979,162	988,061	3,967,223		3,967,223
Taxes - other	42,926	0	42,926		42,926
Interest on long-term debt	2,571,943	19,629	2,591,572		2,591,572
Interest expense - other	167,886	(46,226)	121,660		121,660
Other deductions	25,117	(12,545)	12,572		12,572
Total cost of electric servic	<u>43,557,882</u>	<u>1,807,725</u>	<u>45,365,607</u>	<u>0</u>	<u>45,365,607</u>
Utility operating margins	<u>(288,220)</u>	<u>(1,469,035)</u>	<u>(1,757,255)</u>	<u>4,086,994</u>	<u>2,329,739</u>
Nonoperating margins, intere	38,727	0	38,727		38,727
Income from equity investme	114,881	0	114,881		114,881
Nonoperating margins, other	25,217	0	25,217		25,217
Patronage capital credits	485,442	(402,434)	83,008		83,008
Net Margins	<u>\$376,047</u>	<u>(\$1,871,469)</u>	<u>(\$1,495,422)</u>	<u>\$4,086,994</u>	<u>\$2,591,572</u>
TIER	1.15		0.42		2.00

				Exhibit 17
				page 3 of 3
				Witness: Alan Zumstein
Clark Energy Cooperative				
Case No. 2009-00314				
Analysis of Fuel Adjustment and Environmental Surcharge				
June 30, 2009				
An analysis of fuel adjustment and environmental surcharge as purchased and passed on to consumers as follows:				
	<u>Sales</u>		<u>Purchased</u>	
	Fuel	Environmental	Fuel	Environmental
<u>Month</u>	<u>Adjustment</u>	<u>Surcharge</u>	<u>Adjustment</u>	<u>Surcharge</u>
July, 2008	383,076	132,664	182,064	128,705
August	181,847	136,212	470,666	158,099
September	384,608	163,844	221,011	143,847
October	175,230	131,860	334,786	142,537
November	353,687	130,162	447,918	118,620
December	709,693	248,231	488,386	201,465
January, 2009	586,247	257,966	396,517	232,038
February	171,638	253,215	497,654	261,709
March	304,931	232,665	372,759	244,190
April	302,440	189,023	293,248	213,865
May	301,995	183,670	148,266	176,378
June	214,189	194,083	58,502	168,601
Total	<u>4,069,581</u>	<u>2,253,595</u>	<u>3,911,777</u>	<u>2,190,054</u>

Response 11 b

**Clark Energy Cooperative
Environmental surcharge analysis**

Month	ESC removed rate case 2009-00314	IC Request Item No. 2	
July, 2008	132,664.00	132,665.00	-1.00
August	136,212.00	136,212.00	
September	163,844.00	163,844.00	
October	131,860.00	131,860.00	
November	130,162.00	130,162.00	
December	248,231.00	248,231.00	
January, 2009	257,966.00	257,966.00	
February	253,215.00	253,216.00	-1.00
March	232,665.00	232,665.00	
April	189,023.00	189,023.00	
May	183,670.00	183,670.00	
June	194,083.00	194,083.00	
	2,253,595.00	2,253,597.00	-2.00

***Rounding**

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 12

This question is addressed to all member cooperatives. For each of the member cooperatives, provide the following:

Request 12a

The cumulative over/under recovery for the 24-month period ending December 31, 2013.

Response 12a

The total cumulative over recovery for the 24 month period ending December 31, 2013 is \$137,142. See attached "Response 12 a".

Request 12b

If the amount provided in 12.a. above is amortized over a six-month period, provide the bill impact on the average residential customer.

Response 12b

The impact on the average residential customer would be a credit of \$.70 per month. See attached "Response 12 b".

Witness: Holly Eades

CLARK ENERGY ENVIRONMENTAL SURCHARGE
24 month period ending December 31, 2013

Accounting Period	Power Bill Date	EKPC Billed	Clark Billed	monthly	(over)/under cumulative
January-12	December-11	410,601.00	410,311.00	290.00	290.00
February-12	January-12	421,329.00	363,423.00	57,906.00	58,196.00
March-12	February-12	311,563.00	237,440.00	74,123.00	132,319.00
April-12	March-12	215,308.00	203,162.00	12,146.00	144,465.00
May-12	April-12	221,265.00	236,736.00	(15,471.00)	128,994.00
June-12	May-12	298,373.00	289,189.00	9,184.00	138,178.00
July-12	June-12	382,076.00	406,742.00	(24,666.00)	113,512.00
August-12	July-12	408,872.00	397,805.00	11,067.00	124,579.00
September-12	August-12	337,896.00	341,317.00	(3,421.00)	121,158.00
October-12	September-12	278,092.00	257,624.00	20,468.00	141,626.00
November-12	October-12	319,559.00	341,890.00	(22,331.00)	119,295.00
December-12	November-12	448,063.00	434,791.00	13,272.00	132,567.00
January-13	December-12	509,117.00	514,085.00	(4,968.00)	127,599.00
February-13	January-13	441,978.00	470,270.00	(28,292.00)	99,307.00
March-13	February-13	374,592.00	364,529.00	10,063.00	109,370.00
April-13	March-13	355,186.00	332,878.00	22,308.00	131,678.00
May-13	April-13	290,153.00	286,476.00	3,677.00	135,355.00
June-13	May-13	290,221.00	310,226.00	(20,005.00)	115,350.00
July-13	June-13	410,507.00	424,184.00	(13,677.00)	101,673.00
August-13	July-13	403,218.00	416,838.00	(13,620.00)	88,053.00
September-13	August-13	359,458.00	404,454.00	(44,996.00)	43,057.00
October-13	September-13	306,036.00	338,408.00	(32,372.00)	10,685.00
November-13	October-13	281,105.00	350,640.00	(69,535.00)	(58,850.00)
December-13	November-13	415,135.00	493,427.00	(78,292.00)	(137,142.00)
		<u>\$ 8,489,703.00</u>	<u>\$ 8,626,845.00</u>	<u>\$ (137,142.00)</u>	

Witness: Holly Eades

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 13

This question is addressed to all member cooperatives.

Request 13a

Provide the billing cycles and billing dates for each cycle in the month of July 2013.

Response 13a

Cycle 1	Billed July 2, 2013
Cycle 5	Billed July 5, 2013
Cycle 2	Billed July 12, 2013
Cycle 3	Billed July 19, 2013
Cycle 4	Billed July 26, 2013

Request 13b

For each billing cycle in July 2013, provide the environmental surcharge factor that was billed to customers.

Response 13b

The environmental surcharge factor, applied to all 5 billing cycles in July 2013, was 11.98%

Witness: Holly Eades

CLARK ENERGY COOPERATIVE, INC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

Request 16

This question is addressed to Clark Energy Cooperative, Inc. ("Clark"). Refer to Clark's response to Staff's Second Request, item 1.

Request 16a

Explain the statement "East Kentucky's (EKPC) power bill is recorded in Clark Energy's books in the month of receipt which loosely matches Clark's customer usage."

Response 16a

The response stated "closely" and not "loosely".

Request 16b

Does Clark practice accrual accounting in regards to the power bill from EKPC?

Response 16b

Clark records the power bill from EKPC in the month paid. This has been the method of recording the power bill since Clark's inception.

Witness: Holly Eades